

Message Text

LIMITED OFFICIAL USE

PAGE 01 MEXICO 09381 092354Z

ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02

LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 H-01 /084 W

-----100557Z 009784 /13

R 092356Z JUN 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 2738

INFO TREASURY WASHDC

LIMITED OFFICIAL USE MEXICO 09381

STATE PASS FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EGEN, ECRP, BEXP, MX

SUBJECT: MAY PRICE INDICES

1. BEGIN SUMMARY. BANK OF MEXICO HAS RATHER QUIETLY RELEASED ITS MAY PRICE INDICES. CONSUMER PRICES WERE UP 0.9 PERCENT. THIS IS FIRST TIME SINCE THE DEVALUATION THAT A MONTHLY INCREASE HAS BEEN LESS THAN 1 PERCENT. END SUMMARY.

2. NATIONAL CONSUMER PRICE INDEX FOR MAY WAS 280.5, UP 0.9 PERCENT FROM APRIL, 9.9 PERCENT FROM DECEMBER, 1976, AND 31.4 PERCENT FROM MAY, 1976.

3. MEXICO CITY CONSUMER PRICE INDEX IN MAY WAS 275.8, ALSO UP 0.9 PERCENT FROM APRIL, 10.9 FROM DECEMBER, AND 27.4 PERCENT FROM MAY, 1976.

4. THIS REPRESENTS A SIGNIFICANT BREAKTHROUGH FOR THE GOM'S ANTI-INFLATION EFFORTS. THEIR TARGET FOR THE SECOND

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 09381 092354Z

HALF OF THE YEAR HAS BEEN AN AVERAGE MONTHLY INCREASE OF THE CONSUMER PRICE INDEX OF NO MORE THAN ONE PERCENT. THE RELATIVELY LOW INCREASE IN THE INDEX IN MAY IS DUE IN LARGE PART TO THE GOM'S EFFORTS TO KEEP FOOD PRICES DOWN IN MEXICO CITY. IN THIS REGARD IT APPEARS THAT THE GOM IS PUTTING PRESSURE ON THE MAJOR CHAINS OF FOOD STORES. MEXICO CITY FOOD PRICE INDEX ROSE ONLY 0.2 PERCENT IN

MAY. ANOTHER FACTOR WAS THE ABSENCE OF ANY NEEDED INCREASES IN PUBLIC SECTOR PRICES.

5. THE MEXICO CITY WHOLESALE PRICE INDEX INCREASED 2.2 PERCENT IN MAY TO 499.7. THIS IS A 11.5 PERCENT INCREASE OVER DECEMBER, 1976, AND 50.8 PERCENT OVER MAY, 1976. IT SHOULD BE NOTED THAT THE WHOLESALE PRICE INDEX IS NOT CONSIDERED VERY RELIABLE IN PART BECAUSE IT IS SAID TO BE HEAVILY INFLUENCED BY IMPORTED GOODS AND IN PART BECAUSE OF ITS BASE YEAR, 1954.

6. THE ABILITY OF THE GOM TO MAINTAIN CONSUMER PRICE INCREASES AT 1 PERCENT A MONTH OR LESS DEPENDS ON CONTINUED RESTRAINT ON PUBLIC SECTOR SPENDING AND CONTINUED RESTRAINT ON THE PART OF LABOR UNIONS. BOTH ARE UNCERTAIN. THOMPSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRICE DATA, BANKS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MEXICO09381
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770207-0282
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770674/aaaacmra.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a72c1782-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2215891
Secure: OPEN
Status: NATIVE
Subject: MAY PRICE INDICES
TAGS: EGEN, ECRP, BEXP, MX, BANK OF MEXICO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a72c1782-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009